

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **HB 860** HLS 09RS 1409  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

|   |                                    |
|---|------------------------------------|
| <b>Date:</b> May 30, 2009 1:25 PM                                     | <b>Author:</b> PERRY               |
| <b>Dept./Agy.:</b> Education/Revenue                                  | <b>Analyst:</b> Mary Kathryn Drago |
| <b>Subject:</b> Tax deduction for certain educational support workers |                                    |

TAX/INCOME TAX EG -\$302,000 GF RV See Note Page 1 of 1

Authorizes an individual income tax deduction for certain educational support workers having certain credentials or certificates

The proposed legislation allows a tax deduction for the following taxpayers: 1) full-time school psychologists who hold an ancillary certificate approved by the Department of Education (DOE) and a National Certified School Psychologist credential who are employed by a school board; 2) full-time school social workers who hold a professional ancillary certificate by DOE and the Certified School Social Work Specialist credential who are employed by a school board; 3) full-time speech-language pathologists and audiologists who hold a Louisiana credential approved by the DOE, a license by the Louisiana Board of Examiners for Speech-Language Pathology and Audiology, and a Certificate of Clinical Competence who are employed by a school board. The tax deduction is equal to \$5,000 per eligible taxpayer per year except in the years in which the taxpayer receives a salary supplement pursuant to R.S. 17:421.9, 17:421.10, and 17:421.11. The provisions of this act shall become effective for all taxable years beginning after December 31, 2009.

| <b>EXPENDITURES</b> | <b><u>2009-10</u></b> | <b><u>2010-11</u></b> | <b><u>2011-12</u></b> | <b><u>2012-13</u></b> | <b><u>2013-14</u></b> | <b><u>5 -YEAR TOTAL</u></b> |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
| State Gen. Fd.      | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | <b>\$0</b>                  |
| Agy. Self-Gen.      | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | <b>\$0</b>                  |
| Ded./Other          | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | <b>\$0</b>                  |
| Federal Funds       | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | <b>\$0</b>                  |
| Local Funds         | <u>\$0</u>            | <u>\$0</u>            | <u>\$0</u>            | <u>\$0</u>            | <u>\$0</u>            | <b><u>\$0</u></b>           |
| <b>Annual Total</b> | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>                  |

  

| <b>REVENUES</b>     | <b><u>2009-10</u></b> | <b><u>2010-11</u></b> | <b><u>2011-12</u></b> | <b><u>2012-13</u></b> | <b><u>2013-14</u></b> | <b><u>5 -YEAR TOTAL</u></b> |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
| State Gen. Fd.      | \$0                   | (\$302,000)           | (\$302,000)           | (\$302,000)           | (\$302,000)           | <b>(\$1,208,000)</b>        |
| Agy. Self-Gen.      | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | <b>\$0</b>                  |
| Ded./Other          | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | <b>\$0</b>                  |
| Federal Funds       | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | <b>\$0</b>                  |
| Local Funds         | <u>\$0</u>            | <u>\$0</u>            | <u>\$0</u>            | <u>\$0</u>            | <u>\$0</u>            | <b><u>\$0</u></b>           |
| <b>Annual Total</b> | <b>\$0</b>            | <b>(\$302,000)</b>    | <b>(\$302,000)</b>    | <b>(\$302,000)</b>    | <b>(\$302,000)</b>    | <b>(\$1,208,000)</b>        |

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The potential decrease in State General Fund revenue is approximately \$302,000 to provide a deduction of \$5,000 to the eligible educational support workers specified by the bill. According to the Department of Education, the estimated number of taxpayers eligible for the deduction in FY 09-10 is 1,410. Applying a \$5,000 deduction to each of these taxpayers generates aggregate deductions of \$7,050,000. Distributing this aggregate deduction amount across tax filers on the basis of federal adjusted gross income in a personal income tax micro-simulation model processing 2007 tax return data under 2009 tax law parameters results in a reduction of aggregate tax liabilities of \$302,000. The number of individuals with these credentials has increased each year. Therefore, the revenue loss could increase slightly each year that these taxpayers are eligible for the deduction.

The deduction is allowed during the years that the eligible workers do not receive a \$5,000 salary supplement from the school board. Currently, HB 1 Engrossed does not provide funding for the Department of Education to reimburse the \$5,000 salary supplement to local school boards to provide the stipend to the eligible support workers. This fiscal note assumes that the supplement will not be provided by the school board in FY 10-11 and subsequent fiscal years.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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